

# Centuria

Fund Update  
September 2024

## Centuria Government Income Property Fund No. 2

(ARSN 653 978 753)

### Key points

- As at 30 June 2024, the Net Asset Backing of the Fund is \$0.69 per unit.
- Forecast distributions for FY25 confirmed at 3.75 cents per unit (annualised).
- The property is 100% leased with a Weighted Average Lease Expiry (WALE) of 8.6 years.

### Fund summary

Distributions for the **Centuria Government Income Property Fund No. 2** (Fund) continued to be paid at 3.75 cents per unit (annualised) for the September 2024 quarter, which is in line with the forecast for the 2025 financial year. The corresponding distribution statement for the Fund can be accessed from our online investor portal at [CenturiaInvestor.com.au](https://CenturiaInvestor.com.au).

#### 30 June 2024 Net Asset Backing

The 30 June 2024 audited financial report is now available to download from the online investor portal at [CenturiaInvestor.com.au](https://CenturiaInvestor.com.au). The report confirms the Net Asset Backing (NAB) of units in the Fund decreased from \$0.73 (as at 31 December 2023) to \$0.69 (as at 30 June 2024), which was driven by a reduction in the property's valuation due to a further softening in the capitalisation rate by 12.5 basis points to 5.75%.

### Financial snapshot

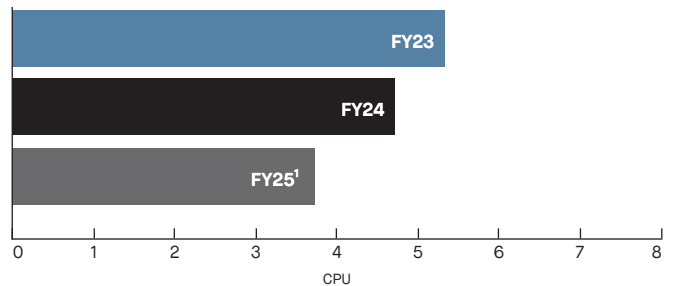
Fund commencement date	2 Dec 2021
Unit price	\$0.72 <sup>1</sup>
Net asset backing	\$0.69 <sup>2</sup>
Distribution rate (cents per unit)	3.75 <sup>3</sup>
Weighted average lease expiry (WALE) (years)	8.6 <sup>1</sup>
Next investor vote on term of Fund	2 Dec 2026

As outlined in the Product Disclosure Statement, units were issued at \$1.00 per unit. Thereafter, the unit price will reflect the NAB per unit with adjustments made for the amortisation of certain fees and expenses on a straight-line basis over five years.



### Distribution details

#### ANNUALISED DISTRIBUTION



1. Forecast (annualised).

The distribution rate of 3.75 cents per unit (annualised) for the September 2024 quarter is in line with the 2025 financial year forecast. Please note, this forecast distribution rate reflects the current performance of the Fund. It is predictive in nature and is subject to assumptions, risks and circumstances (both known and unknown) outside of the control of the Fund, including that all tenants will satisfy their contractual obligations under their respective leases within a timely manner. The forecast also assumes there are no significant unforeseen capital costs and no material changes to the Fund's financial obligations. The actual distributions may differ from the forecast figures.

1. As at 30 June 2024.

2. Based on the most recent audited accounts as at 30 June 2024. Without the Mark to Market of the Fund's interest rate swap, the NAB per unit in the Fund would be \$0.66.

3. September 2024 quarter, annualised.

## Property details

ASSET VALUES	
Property address	25 Nile Street, Port Adelaide SA
Purchase price (Dec 21)	\$62.8m
Previous valuation - Directors' (Dec 23)	\$55.3m
Current valuation (Jun 24)	\$54.0m
Cap rate (Jun 24)	5.75%
Valuer	JLL

The property was subject to an independent valuation for the purposes of the 30 June 2024 audited financial report and the key metrics of this valuation are outlined in the table above.

## Top tenants by net lettable area (NLA)

<b>Minister for Transport and Infrastructure (Shared Services SA)</b> Lease expires 18 May 2033	94%
<b>Rubicon Associates</b> Lease expires 31 Jul 2026	2%
<b>Feros Care</b> Lease expires 31 Aug 2025	2%

As at 30 June 2024, the property is 100% occupied with a Weighted Average Lease Expiry (WALE) by income of approximately 8.6 years.

## Property statistics

	INITIAL <sup>1</sup>	DEC-23	JUN-24
Net asset backing	\$0.93	\$0.73	\$0.69
Property occupancy rate	100%	99%	100%
Weighted average lease expiry (WALE) (years)	11.1	9.0	8.6

## Debt summary

	CURRENT PERIOD	LOAN COVENANTS
Total facility limit	\$31.4m	
Undrawn amount	\$0.4m <sup>2</sup>	
Loan expiry	2-Dec-26	
% of debt hedged	74.1% <sup>3</sup>	
Loan to value ratio (LVR)	57.4% <sup>4</sup>	60.0%
Interest cover ratio (ICR)	3.4 <sup>5</sup>	2.0

Under the Fund's five-year facility, the drawn debt has increased to \$31.02 million, which is 74.1% hedged at a fixed rate of 0.62% p.a. (in addition to the bank margin of 1.30% p.a.) until 16 December 2024, with the ability to draw an additional \$350,000 for future leasing related costs and base building capital expenditure. Furthermore, a two-year swap over approximately 50% of the forecast drawn debt (\$15.0m) at 2.63% p.a. has also been secured from 17 December 2024.

Under the terms of the debt facility, the Fund is required to comply with certain loan covenants over the course of the year. Based on the most recent audited accounts as at 30 June 2024, the Fund remained compliant with all covenants including the Interest Cover Ratio (ICR) and Loan to Valuation Ratio (LVR).

## Centuria investor website

You can access all information relating to your Centuria investments at [Centuriainvestor.com.au](https://centuriainvestor.com.au).

## Contact details

If you require assistance with your Centuria Investor account or have any questions regarding your investment in the Fund, please contact Centuria Investor Services on 1800 182 257 (within Australia); +61 2 9290 9689 (outside Australia) or by email on [Property.Enquiry@CenturiaInvestor.com.au](mailto:Property.Enquiry@CenturiaInvestor.com.au).

**Note:** The latest RG46 Statement for the Fund is available at [Centuriainvestor.com.au](https://centuriainvestor.com.au). It includes gearing ratio (calculated using ASIC methodology), gearing covenant sensitivities, details of the related party transactions in the period and further information on the source of distributions.

1. Based on the Product Disclosure Statement dated 25 October 2021.
2. As at 31 August 2024.
3. The Fund's drawn debt is 74.1% hedged at a rate of 0.62% p.a. until 31 December 2024.
4. The LVR is as at 30 June 2024 and based on the most recent independent valuation as defined under the debt facility agreement.
5. The stated ICR figures are based on the most recent audited accounts as at 30 June 2024.

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